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September 17, 2002

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To: Community Care for the Aged And Disabled (CCAD)
Day Activity and Health Services (DAHS) Providers

Subject: Long Term Care (LTC)
Information Letter No. 02-20
Increase in Rate of Reimbursement

The Health and Human Services Commission (HHSC) approved rate changes for Day Activity and Health Services providers effective September 1, 2002, as well as five additional levels of enhanced rate participation. The new rates are included on the attached Reimbursement Rate chart.

All claims for services delivered on or after September 1, 2002 will be processed using the new payment rates. Claims submitted by the provider for any services delivered on or after September 1, 2002 should be prepared using the new rates.

In order to comply with the General Appropriations Act, House Bill (HB) 1 of the 76th Legislature, HHSC continues to offer the Attendant Compensation Rate Enhancement to incentivize contracted providers to increase wages and benefits for community care attendants. The agency rules for the Attendant Compensation Rate Enhancement can be found in Title 1 of the Texas Administrative Code (TAC) 355.112 and 40 TAC 20.112. The General Appropriations Act, HB 1 of the 76th Legislature increased funding for attendant wages so that additional levels of enhanced rates could be offered to contracted providers who choose to participate in the Attendant Compensation Rate Enhancement. Contracted providers who choose to participate must submit spending reports and must meet the spending requirements for the attendant compensation rate component or unspent revenues below the spending requirement will be recouped by DHS. Contracted providers who choose not to participate in the Attendant Compensation Rate Enhancement will not receive the enhanced attendant rates and the attendant compensation rate component will remain constant over time, except for adjustments necessitated by increases in the federal minimum wage.

During the open enrollment in July 2002 contracted providers were offered the opportunity to enroll as participants and to select the enhanced rate level at which they desired to participate. Twenty enhanced rate levels were offered for selection at that time; however, the actual rate level awarded is contingent on available funding. Providers participating in the Attendant Compensation Rate Enhancement may access the Rate Analysis Department website at <http://www.hhsc.state.tx.us/medicaid/programs/rad/index.html> to confirm the level of enhancement awarded and to verify their reimbursement rates.

Please contact Alisa Jacquet at (512) 685-3129 if you have any questions regarding the Attendant Compensation Rate Enhancement. Please call your contract manager if you have any other questions. Contract Managers should contact Sarah Hambrick at (512) 438-2578 if they have any questions.

Sincerely,

Signature on file

Becky Beechinor
Assistant Deputy Commissioner
Long Term Care Services

BB:ck

Attachment

**Day Activity and Health Services (DAHS)
Payment Rates Effective September 1, 2002**

Participation Status	Rate
Nonparticipant	\$13.20
Participant - Level 1	\$13.25
Participant - Level 2	\$13.30
Participant - Level 3	\$13.35
Participant - Level 4	\$13.40
Participant - Level 5	\$13.45
Participant - Level 6	\$13.50
Participant - Level 7	\$13.55
Participant - Level 8	\$13.60
Participant - Level 9	\$13.65
Participant - Level 10	\$13.70
Participant - Level 11	\$13.75
Participant - Level 12	\$13.80
Participant - Level 13	\$13.85
Participant - Level 14	\$13.90
Participant - Level 15	\$13.95
Participant - Level 16	\$14.00
Participant - Level 17	\$14.05
Participant - Level 18	\$14.10
Participant - Level 19	\$14.15
Participant - Level 20	\$14.20

Twenty levels of Participant Rates are offered, with each level increasing in \$.05 increments.